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August 15, 2012

Mr. Robert McMichael  
Trinity 7 Security, LLC  
146 Stacey Bridge Rd.  
Orangeburg, SC 29118

**RE: Non-Responsibility Determination for Solicitation 5400003880 – Security Guard Services  
Denmark Technical College**

Trinity 7 Security, LLC (hereinafter referred to as “Trinity 7”) has been determined to be “Non-Responsible” and by state statute may not be awarded the referenced contract. This determination applies only to the solicitation referenced above.

**SECTION 11-35-1410.** Definitions of terms used in this article.

(6) "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability which will assure good faith performance which may be substantiated by past performance.

**SECTION 11-35-1810.** Responsibility of bidders and offerors.

(1) Determination of Responsibility. Responsibility of the bidder or offeror shall be ascertained for each contract let by the State based upon full disclosure to the procurement officer concerning capacity to meet the terms of the contracts and based upon past record of performance for similar contracts. The board shall by regulation establish standards of responsibility that shall be enforced in all state contracts.

The Materials Management Office (MMO) issued an Invitation for Bid No. 5400003880 for Security Guard Services for Denmark Technical College on June 28, 2012. The solicitation clearly stated the purpose and needs of the College and the necessary requirements and work expected of the provider (Offeror). The solicitation and procurement code require a financially sound Offeror who would be able to provide and pay for all materials, equipment, labor and professional and non-professional services as well as perform all other acts and supply all other things necessary, to fully and properly perform and complete the work requested.

Trinity 7 submitted an offer for this solicitation as instructed and was the apparent low bidder. However, their response to Financial Capability was deficient of audited financial statements requested, but did include a balance sheet for 2011 and 2012. The balance sheet reflected financial difficulty.

Since the total potential value of the contract is in excess of one million dollars, and in accordance with internal procedure, a Dun and Bradstreet report was pulled for Trinity 7. The D&B report showed a Financial Stress Class rating of 4 out of 5 due to the following:

- High proportion of slow payment experiences to total number of payment experiences.
- Low proportion of satisfactory payment experiences to total payment experiences.
- Limited time under present management control.

The report showed a Credit Score Class rating of 5 of 5 with a Credit Score Percentile of 1 with the highest risk being 1 and the lowest risk being 100. Their Credit Score rating is 101 with the highest risk being 101 and the lowest risk being 670. The results were based on the following:

- High proportion of past due balances to total amount owing.
- Low number of satisfactory payments.
- Most recent amount past due.
- Insufficient number of payment experiences.
- Evidence of open liens.
- Low proportion of satisfactory payment experiences to total payment experiences.

The report also listed two known liens placed on Trinity 7 Security, LLC by the State of South Carolina for failure to pay State Taxes in 2011 and 2012.

On August 9, 2012, the Materials Management Office tried to contact the president of Trinity 7, Mr. Robert McMichael. Two separate phone numbers were discovered and attempted; however, both numbers had a recording stating that the voice mailbox was full and to try the call again later. On August 13, 2012, a call to Mr. McMichael was successful. When asked about the liens referenced on the D&B Report, Mr. McMichael confirmed that he was working on getting the taxes taken care of, but “he really needed this contract in order to be able to do that.”

After having a discussion with Mr. McMichael that confirmed the validity of failure to pay State taxes as indicated on the D&B Report, and the indicated inability to cure same without this contract, a further analysis of bidder responsibility was made.

#### **REGULATION 19-445.2125 – Responsibility of Bidders and Offerors.**

##### **A. State Standards of Responsibility.**

Factors to be considered in determining whether the state standards of responsibility have been met include whether a prospective contractor has:

- (1) **available the appropriate financial, material, equipment, facility, and personnel resources and expertise, or the ability to obtain them, necessary to indicate its capability to meet all contractual requirements;**
- (2) a satisfactory record of performance;
- (3) **a satisfactory record of integrity;**
- (4) qualified legally to contract with the State; and
- (5) supplied all necessary information in connection with the inquiry concerning responsibility.

The Materials Management Office also contacted Mr. Clarence Bonnette and Allison Kirkland with Denmark Technical College on August 9, 2012, to discuss the status of this vendor. Mr. Bonnette informed the Procurement Manager that Trinity 7 Security, LLC had been providing security guard service for the College since mid-June under an emergency procurement. He also stated that they had a good working relationship with Trinity 7 up to this point. After speaking with the vendor on August 13<sup>th</sup>, an e-mail was sent to Denmark

Technical College by MMO providing them with all of the details discovered in the D&B report and provided by Trinity 7. After review and careful consideration, the College agreed that a non-responsible determination would be appropriate.

It is evident from the offer as submitted by Trinity 7 Security, LLC, plus the Dun & Bradstreet report referenced above, that Trinity 7 Security, LLC, does not meet the definition of "Responsible bidder or offeror" as defined in 11-35-1410 (6). Therefore, Trinity 7 Security, LLC, is deemed Nonresponsible and the offer as submitted by Trinity 7 Security, LLC, cannot receive further consideration for award.



Stacy Langdale, CPPB  
Procurement Manager